



General Assembly

February Session, 2008

***Raised Bill No. 684***

LCO No. 3101

\*03101\_\_\_\_\_GAE\*

Referred to Committee on Government Administration and Elections

Introduced by:  
(GAE)

***AN ACT CONCERNING THE PRACTICE AND PRIVILEGES OF  
CERTIFIED PUBLIC ACCOUNTANTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-279b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this section and sections 20-280 to 20-281m, inclusive:

4 (1) "Board" means the State Board of Accountancy established by  
5 section 20-280;

6 (2) "Certificate" means a "certified public accountant" certificate  
7 issued either prior to October 1, 1992, or pursuant to section 20-281c of  
8 the 2008 supplement to the general statutes or a "certified public  
9 accountant" certificate issued after examination pursuant to the laws of  
10 any other state;

11 (3) "Firm" means any person, proprietorship, partnership,  
12 corporation, limited liability company or association and any other  
13 legal entity which practices public accountancy;

14 (4) "License" means a public accountancy license issued pursuant to  
15 section 20-281b or 20-281d;

16 (5) "Licensee" means the holder of a certificate issued pursuant to  
17 section 20-281c of the 2008 supplement to the general statutes, the  
18 holder of a license issued pursuant to section 20-281b or 20-281d or a  
19 holder of a permit to practice public accountancy issued pursuant to  
20 sections 20-281b and 20-281e;

21 (6) "Permit" means a permit to practice public accountancy issued to  
22 a firm pursuant to section 20-281e;

23 (7) "Practicing public accountancy" means performing for the public  
24 or offering to perform for the public for a fee by a person or firm  
25 holding himself or itself out to the public as a licensee one or more  
26 kinds of services involving the use of accounting or auditing skills,  
27 including, but not limited to, the issuance of reports on financial  
28 statements, or of one or more kinds of management advisory, financial  
29 advisory or consulting services, or the preparation of tax returns or the  
30 furnishing of advice on tax matters;

31 (8) "Quality review" means any study, appraisal or review of one or  
32 more aspects of the professional work of a person or firm which  
33 practices public accountancy by a person or persons who holds or hold  
34 licenses under section 20-281b or 20-281d or their equivalent under the  
35 laws of any other state and who are not affiliated with the person or  
36 firm being reviewed;

37 (9) "Registration" means the process by which the holder of a  
38 certificate may register his certificate annually and pay a fee of twenty  
39 dollars in lieu of an annual renewal of a license and be entitled to use  
40 the abbreviation "CPA" and the title "certified public accountant"  
41 under conditions and in the manner prescribed by the board by  
42 regulation;

43 (10) "Profession" means the profession of public accountancy;

44 (11) "Report" means any writing which refers to a financial  
45 statement and (A) expresses or implies assurance as to the reliability of  
46 said financial statement, and includes, but is not limited to, any writing  
47 disclaiming an opinion, when such writing contains language  
48 conventionally understood in the profession to express or imply  
49 assurance as to the reliability of such financial statement, and (B)  
50 expresses or implies that the person or firm issuing such writing has  
51 special competence in accounting or auditing, which expression or  
52 implication arises from, among other things, the use of written  
53 language which is conventionally understood in the profession to  
54 express or imply assurance as to the reliability of financial statements;

55 (12) "AICPA" means the American Institute of Certified Public  
56 Accountants;

57 (13) "Attest" means the provision of any of the following financial  
58 statement services:

59 (A) Any audit or other engagement to be performed in accordance  
60 with the Statements on Auditing Standards (SAS);

61 (B) Any review of a financial statement to be performed in  
62 accordance with the Statements on Standards for Accounting and  
63 Review Services (SSARS);

64 (C) Any examination of prospective financial information to be  
65 performed in accordance with the Statements on Standards for  
66 Attestation Engagements (SSAE); and

67 (D) Any engagement to be performed in accordance with the  
68 Auditing Standards of the PCAOB;

69 (14) "Compilation" means the provision of a service to be performed  
70 in accordance with Statements on Standards for Accounting and  
71 Review Services (SSARS) that is presented in the form of financial  
72 statements that is the representation of management without  
73 undertaking to express any assurance on the statements;

74     (15) "Home office" means the location specified by the client as the  
75     address to which a service described in section 7 of this act is directed;

76     (16) "NASBA" means the National Association of State Boards of  
77     Accountancy;

78     (17) "PCAOB" means the Public Company Accounting Oversight  
79     Board;

80     (18) "Practice privilege" means the privilege for a person or firm to  
81     practice public accountancy described in, and subject to the conditions  
82     contained in, section 20-281e and section 7 of this act;

83     (19) "Principal place of business" means the office location  
84     designated by an individual or firm for purposes of section 20-281e  
85     and section 7 of this act;

86     (20) "Substantial equivalency" is a determination by the board of  
87     accountancy or its designee that the education, examination and  
88     experience requirements contained in the statutes and administrative  
89     rules of another jurisdiction are comparable to, or exceed, the  
90     education, examination and experience requirements contained in the  
91     Uniform Accountancy Act or that an individual certified public  
92     accountant's education, examination and experience qualifications are  
93     comparable to, or exceed, the education, examination and experience  
94     requirements contained in the Uniform Accountancy Act.

95     Sec. 2. Section 20-281 of the general statutes is repealed and the  
96     following is substituted in lieu thereof (*Effective from passage*):

97     (a) No firm shall practice public accountancy in this state unless  
98     such firm: [has] (1) Has obtained a permit to practice, or (2) is exempt  
99     from the permit requirement contained in section 20-281e.

100     (b) The State Board of Accountancy shall require, by regulation, that  
101     on and after January 1, 1990, as a condition to renewal of a permit to  
102     practice issued under section 20-281e that permit holders undergo a

103 quality review, conducted in such manner as the board may by  
104 regulation specify, to determine and report on the degree of  
105 compliance by the permit holder with generally accepted accounting  
106 principals, generally accepted auditing standards and other similarly  
107 recognized authoritative technical standards. Such a review shall be  
108 required every three years, except as provided in subsection (c) of this  
109 section. Any such regulations shall provide that an applicant may  
110 comply with such regulations by furnishing sufficient evidence to the  
111 board that a similar quality review has been completed for other  
112 purposes. Each such review shall be performed by a reviewer having  
113 such qualifications as shall be set forth by regulation. Each reviewer  
114 shall be independent of the firm being reviewed. The firm which is the  
115 subject of the review shall furnish a copy of the opinion letter  
116 accompanying the report of the review performed by the reviewer to  
117 the board within thirty days of the acceptance of the final report by a  
118 qualified oversight body as determined by the board. Such letter shall  
119 not be a public record unless it is made part of the record of a  
120 disciplinary hearing. If the review report is designated "modified", the  
121 board may require the firm which is the subject of the review to submit  
122 an affidavit, within such time as the board may specify, indicating that  
123 the remedial action suggested by the reviewer has been completed.  
124 Payment for any review shall be the responsibility of the firm which is  
125 the subject of the review.

126 (c) A permit holder may be granted a waiver from the quality  
127 review requirements under subsection (b) of this section: (1) If it  
128 annually represents to the board that: (A) It does not engage in  
129 financial reporting areas of practice, including audits, compilations  
130 and reviews, (B) it does not intend to engage in such a practice during  
131 the following year, and (C) it will immediately notify the board if it  
132 engages in such practice; (2) for reasons of health; (3) due to military  
133 service; (4) in instances of individual hardship; or (5) for other good  
134 cause as the board may determine. Any such requests for waivers and  
135 any such representations shall be made in writing, under oath, and  
136 upon forms provided by the board. Such requests and representations

137 shall be made at the time the firm applies for renewal of its firm  
138 permit. Any firm which has been granted a waiver pursuant to  
139 subdivision (1) of this subsection shall immediately notify the board if  
140 it engages in the financial reporting area of practice and shall undergo  
141 a quality review during the first calendar year after its initial  
142 acceptance of such an engagement.

143 Sec. 3. Section 20-281a of the general statutes is repealed and the  
144 following is substituted in lieu thereof (*Effective from passage*):

145 (a) After notice and hearing pursuant to section 20-280c, the board  
146 may revoke any certificate, license or permit issued under section 20-  
147 281c of the 2008 supplement to the general statutes, 20-281d or 20-281e  
148 or the practice privilege of an individual that qualifies under section 7  
149 of this act; suspend any such certificate, registration, license, practice  
150 privilege or permit or refuse to renew any such certificate, license or  
151 permit; reprimand, censure, or limit the scope of practice of any  
152 licensee or individual that qualifies for the practice privilege; impose a  
153 civil penalty not exceeding fifty thousand dollars upon licensees,  
154 individuals that qualify for the practice privilege or others violating  
155 provisions of section 20-281g or place any licensee or individual that  
156 qualifies for the practice privilege on probation, all with or without  
157 terms, conditions and limitations, for any one or more of the following  
158 reasons:

159 (1) Fraud or deceit in obtaining a certificate, registration, license,  
160 practice privilege or permit;

161 (2) Cancellation, revocation, suspension or refusal to renew  
162 authority to engage in the practice of public accountancy in any other  
163 state for any cause;

164 (3) Failure, on the part of a holder of a license or permit under  
165 section 20-281d or 20-281e, to maintain compliance with the  
166 requirements for issuance or renewal of such license or permit or to  
167 report changes to the board under subsection (g) of section 20-281d or

168 subsection (f) of section 20-281e;

169 (4) Revocation, limitation or suspension of the right to practice  
170 before any state or federal agency or the Public Company Accounting  
171 Oversight Board under the Sarbanes-Oxley Act of 2002, or any of the  
172 following actions taken by any such state or federal agency or said  
173 board against a licensee or individual that qualifies for the practice  
174 privilege: (A) Suspension of or barring a licensee from serving as a  
175 corporate officer or director, (B) requiring [a] such individual or  
176 licensee to disgorge funds, or (C) suspension or barring such  
177 individual or a licensee from association with a public accounting firm;

178 (5) Dishonesty, fraud or negligence in the practice of public  
179 accountancy or in the filing or failure to file his own income tax  
180 returns;

181 (6) Violation of any provision of sections 20-279b to 20-281m,  
182 inclusive, or regulation adopted by the board under said sections;

183 (7) Violation of any rule of professional conduct adopted by the  
184 board under subdivision (4) of subsection (g) of section 20-280;

185 (8) Conviction of a felony, or of any crime an element of which is  
186 dishonesty or fraud, under the laws of the United States, of this state,  
187 or of any other state if the acts involved would have constituted a  
188 crime under the laws of this state, subject to the provisions of section  
189 46a-80;

190 (9) Performance of any fraudulent act while holding a registration,  
191 certificate, license, practice privilege or permit issued under sections  
192 20-279b to 20-281m, inclusive, or prior law;

193 (10) Any conduct reflecting adversely upon the licensee's fitness to  
194 engage in the practice of public accountancy; and

195 (11) Violation by anyone of any provision of section 20-281g.

196 (b) In lieu of or in addition to any remedy specifically provided in  
197 subsection (a) of this section, the board may require a licensee or  
198 individual that qualifies for a practice privilege to: (1) Submit to a  
199 quality review conducted in such fashion as the board may specify; or  
200 (2) complete such continuing professional education programs as the  
201 board may specify, or both.

202 (c) In any proceeding in which a remedy provided by subsection (a)  
203 or (b) of this section is imposed, the board may also require the  
204 respondent to pay the costs of the proceeding.

205 Sec. 4. Section 20-281e of the general statutes is repealed and the  
206 following is substituted in lieu thereof (*Effective from passage*):

207 (a) The board shall grant or renew permits to practice public  
208 accountancy to firms that make application and demonstrate their  
209 qualifications [therefor] in accordance with subsections (b) to (f),  
210 inclusive, of this section.

211 (b) Permits shall be initially issued and renewed annually.  
212 Applications for permits shall be made in such form, and in the case of  
213 applications for renewal, between such dates as the board may by  
214 regulation specify.

215 (c) An applicant for initial issuance or renewal of a permit to  
216 practice under this section shall be required to show that each  
217 proprietor, partner or shareholder of such firm whose principal place  
218 of business in this state, who performs professional services in this  
219 state and who works in this state holds a valid license to practice  
220 issued under section 20-281b or 20-281d. An individual who has  
221 practice privileges under section 7 of this act who performs services,  
222 for which a firm permit is required under such section, shall not be  
223 required to obtain a certificate under section 20-281c or a license under  
224 section 20-281d.

225 (d) An applicant for initial issuance or renewal of a permit to



226 practice under this section shall be required to register each office of  
 227 the firm within this state with the board and to show that [each such  
 228 office is] all attest services and compilation services rendered in this  
 229 state are under the charge of a person holding a valid license issued  
 230 under section 20-281b, [or] 20-281d or some other state.

231 (e) The board shall charge an annual fee for each application for  
 232 initial issuance or renewal of a permit under this section in the amount  
 233 of seventy-five dollars; provided, no such fee shall be charged to a firm  
 234 having not more than one licensee.

235 (f) Applicants for initial issuance or renewal of permits under this  
 236 section shall list in their application all states in which they have  
 237 applied for or hold licenses to practice public accountancy, and each  
 238 holder of or applicant for a permit under this section shall notify the  
 239 board in writing, within thirty days after its occurrence, of any change  
 240 in the identities of any proprietors, partners, officers or shareholders of  
 241 such firm who work regularly within this state, any change in the  
 242 number or location of offices within this state, any change in the  
 243 identity of the persons in charge of such offices, and any issuance,  
 244 denials, revocation or suspension of a license by any other state.

245 (g) The following firms shall be required to hold a permit issued  
 246 pursuant to this section:

247 (1) Any firm with an office in this state performing attest services;

248 (2) Any firm with an office in this state that uses the title "CPA" or  
 249 "CPA firm"; or

250 (3) Any firm that does not have an office in this state but performs  
 251 attest services described in subparagraph (A), (C) or (D) of subdivision  
 252 (1) of section 20-279b for a client having its home office in this state;

253 (h) A firm that does not have an office in this state may perform  
 254 services described in subparagraph (B) of subdivision (1) of section 20-  
 255 279b or subdivision (4) of section 20-279b for a client having its home

256 office in this state and may use the title "CPA" or "CPA firm" without a  
257 permit issued under this section if:

258 (1) Such firm has the qualifications described in section 20-281  
259 concerning quality reviews; and

260 (2) Such firm performs such services through an individual who has  
261 practice privileges under section 7 of this act.

262 (i) Any firm that is not subject to the requirements of subsection (g)  
263 or (h) of this section may perform other professional services while  
264 using the title "CPA" or "CPA firm" in this state without a permit  
265 issued under this section if:

266 (1) Such firm performs such services through an individual who has  
267 practice privileges under section 7 of this act; and

268 (2) Such firm can lawfully do so in the state where said individuals  
269 with practice privileges have their principal place of business.

270 Sec. 5. Section 20-281f of the general statutes is repealed and the  
271 following is substituted in lieu thereof (*Effective from passage*):

272 (a) In any case where the board has suspended or revoked a  
273 registration, certificate, license, practice privilege or a permit or  
274 refused to renew a certificate, license or permit, the board may, upon  
275 application in writing by the person or firm affected and for good  
276 cause shown, modify the suspension, or reissue the certificate, license  
277 or permit. Any individual whose practice privilege has been  
278 suspended or revoked may not reenter this state to practice until such  
279 individual complies with the provisions of this section.

280 (b) The board shall specify by regulation the manner in which such  
281 applications shall be made and the times within which they shall be  
282 made.

283 (c) Before reissuing or terminating the suspension of a registration,

284 certificate, license, practice privilege or permit under this section, and  
285 as a condition thereto, the board may require the applicant to show  
286 successful completion of specified continuing professional education;  
287 and the board may make the reinstatement of a registration, certificate,  
288 license, practice privilege or permit conditional and subject to  
289 satisfactory completion of a quality review conducted in such fashion  
290 as the board may specify.

291 Sec. 6. Section 20-281g of the general statutes is repealed and the  
292 following is substituted in lieu thereof (*Effective from passage*):

293 (a) A person or a firm which does not hold a valid license and  
294 permit issued under section 20-281b or 20-281d and section 20-281e  
295 shall not issue a report on financial statements of any other person,  
296 firm, organization or governmental unit. This prohibition does not  
297 apply to an officer, partner or employee of any firm or organization  
298 affixing his signature to any statement or report in reference to the  
299 financial affairs of such firm or organization with any wording  
300 designating the position, title or office that he holds therein; nor  
301 prohibit any act of a public official or employee in the performance of  
302 his duties as such; nor prohibit the performance by any persons of  
303 other services involving the use of accounting skills, including the  
304 preparation of tax returns, management advisory services and the  
305 preparation of financial statements without the issuance of reports  
306 thereon.

307 (b) The prohibition contained in subsection (a) of this section is  
308 applicable to the issuance, by a person or a firm not holding a valid  
309 license and permit, of a report using any language conventionally used  
310 in the profession by licensees regarding a review of financial  
311 statements.

312 (c) The prohibition contained in subsection (a) of this section is  
313 applicable to the issuance by a person or a firm not holding a valid  
314 license and permit of a report using any language conventionally used  
315 in the profession by licensees with respect to a compilation of financial

316 statements.

317 (d) A person who does not hold a valid registration or license and  
318 who does not qualify for practice privilege under section 7 of this act  
319 shall not use or assume the title or designation "certified public  
320 accountant", or the abbreviation "CPA" or any other title, designation,  
321 words, letters, abbreviations, sign card or device tending to indicate  
322 that such person is a certified public accountant, provided that a  
323 holder of a certificate who does not also hold a license may use the title  
324 pertaining to such certification only in the manner permitted by  
325 regulations adopted by the board under subdivision (6) of subsection  
326 (g) of section 20-280.

327 (e) No firm shall assume or use the title or designation "certified  
328 public accountant", or the abbreviation "CPA", or any other title,  
329 designation, words, letters, abbreviation, sign, card or device tending  
330 to indicate that such firm is composed of certified public accountants,  
331 unless (1) the firm holds a valid permit issued under section 20-281e,  
332 (2) all proprietors, partners and shareholders practicing public  
333 accountancy in this state hold valid certificates and licenses issued  
334 under section 20-281d, and (3) all proprietors, officers and  
335 shareholders of the firm hold licenses. The prohibitions contained in  
336 this section shall not be construed to apply to a firm that meets the  
337 requirements of section 20-281e.

338 (f) No person shall assume or use the title or designation "public  
339 accountant", or the abbreviation "PA", or any other title, designation,  
340 words, letters, abbreviation, sign, card or device which tends to  
341 indicate that such person is a public accountant unless he holds a valid  
342 license issued under section 20-281b.

343 (g) A firm which does not hold a valid permit issued under section  
344 20-281e shall not assume or use the title or designation "public  
345 accountant", the abbreviation "PA", or any other title, designation,  
346 words, letters, abbreviation, sign, card or device which tends to  
347 indicate that such firm is composed of public accountants.

348 (h) A person or firm which does not hold a valid license and permit  
349 issued under sections 20-281d and 20-281e shall not assume or use the  
350 title or designation "certified accountant", "certified professional  
351 accountant", "chartered accountant", "enrolled accountant", "licensed  
352 accountant", "registered accountant", "accredited accountant", or any  
353 other title or designation likely to be confused with the titles "certified  
354 public accountant" or "public accountant" or use any of the  
355 abbreviations "CA", "EA", "LA", "RA", "AA" or similar abbreviation  
356 likely to be confused with the abbreviations "CPA" or "PA", provided  
357 that a holder of a certificate who does not also hold a license may use  
358 the titles pertaining to such certificate only in the manner permitted by  
359 regulations adopted by the board under subdivision (6) of subsection  
360 (g) of section 20-280. This subsection shall not prevent persons  
361 designated as "enrolled agents" of the Internal Revenue Service from  
362 using such title or the abbreviation "EA".

363 (i) A person or firm which does not hold a valid license and permit  
364 issued under section 20-281b or 20-281d and section 20-281e shall not  
365 assume or use any title or designation that includes the words  
366 "accountant", "auditor" or "accounting" in connection with any other  
367 language, including the language of a report, that implies that such  
368 person or firm holds such a permit or has special competence as an  
369 accountant or auditor, provided this subsection shall not prohibit any  
370 officer, partner or employee of any firm or organization from affixing  
371 his signature to any statement in reference to the financial affairs of  
372 such firm or organization with any wording designating the position,  
373 title or office that he holds therein, nor prohibit any act of a public  
374 official or employee in the performance of his duties as such.

375 (j) A person who holds a certificate shall not engage in the practice  
376 of public accountancy unless he also holds a valid license issued under  
377 section 20-281d and a permit issued under section 20-281e or unless  
378 such person is qualified for the practice privilege pursuant to section 7  
379 of this act.

380 (k) A firm which holds a permit under sections 20-279b to 20-281m,  
381 inclusive, shall not engage in the practice of public accountancy using  
382 a professional or firm name or designation that is misleading about the  
383 legal form of the firm, or about the persons who are partners, officers  
384 or shareholders of the firm, or about any other matter, provided names  
385 of one or more former partners or shareholders may be included in the  
386 name of a firm or its successor.

387 (l) None of the foregoing provisions of this section shall apply to  
388 any firm holding a certification, designation, degree or license granted  
389 in a foreign country entitling the holder thereof to engage in the  
390 practice of public accountancy or its equivalent in such country, whose  
391 activities in this state are limited to the provision of professional  
392 services to persons or firms who are residents of, governments of, or  
393 business entities of the country in which he holds such entitlement,  
394 who issues no reports with respect to the financial statements of any  
395 other persons, firms or governmental units in this state, and who does  
396 not use in this state any title or designation other than the one under  
397 which he practices in such country, followed by a translation of such  
398 title or designation into the English language, if it is in a different  
399 language, and by the name of such country.

400 (m) The prohibitions contained in subsections (a), (b), (c), (h) and (i)  
401 of this section shall not be construed to apply to any person or firm  
402 that qualifies for a practice privilege under section 7 of this act or who  
403 are exempt from the firm permit requirement contained in section 20-  
404 281e, as amended by this act.

405 (n) Notwithstanding any provision of this section, a firm that does  
406 not hold a valid permit under section 20-281e, as amended by this act,  
407 and that does not have an office in this state may provide its  
408 professional services and practice public accountancy in this state,  
409 provided such firm complies with any applicable requirements of  
410 subsection (a) of section 20-281e.

411 Sec. 7. (NEW) (*Effective from passage*) (a) Any individual whose

412 principal place of business is not in this state shall be presumed to  
413 have qualifications substantially equivalent to this state's requirements  
414 and shall have all the privileges of licensees of this state without the  
415 need to obtain a license pursuant to section 20-281d of the general  
416 statutes, if:

417 (1) Such individual holds a valid license as a Certified Public  
418 Accountant from any state which the NASBA National Qualification  
419 Appraisal Service has verified to be in substantial equivalence with the  
420 CPA licensure requirements of the AICPA/NASBA Uniform  
421 Accountancy Act; or

422 (2) Such individual holds a valid license as a Certified Public  
423 Accountant from any state which the NASBA National Qualification  
424 Appraisal Service has not verified to be in substantial equivalence with  
425 the CPA licensure requirements of the AICPA/NASBA Uniform  
426 Accountancy Act and the individual obtains from the NASBA National  
427 Qualification Appraisal Service verification that such individual's CPA  
428 qualifications are substantially equivalent to the CPA licensure  
429 requirements of the AICPA/NASBA Uniform Accountancy Act. Any  
430 individual who passed the Uniform CPA Examination and holds a  
431 valid license issued by any other state prior to January 1, 2012, may be  
432 exempt from the education requirement in the Uniform Accountancy  
433 Act for purposes of this subdivision.

434 (b) Notwithstanding any provision of the general statutes, any  
435 individual who qualifies for a practice privilege under this section may  
436 offer or render professional services, whether in person or by mail,  
437 telephone or electronic means, based on a practice privilege, and no  
438 notice, fee or other submission shall be required of any such  
439 individual. Such individual shall be subject to the requirements in  
440 subsection (c) of this section.

441 (c) Any individual licensee of another state exercising the privilege  
442 afforded under this section and the firm that employs such licensee  
443 shall consent, as a condition of the grant of such privilege:

444 (1) To the personal and subject matter jurisdiction and disciplinary  
445 authority of the board;

446 (2) To comply with any applicable provision of state law and the  
447 board's rules;

448 (3) That in the event the license from the state of such individual's  
449 principal place of business is no longer valid, such individual shall  
450 cease offering or rendering professional services in this state  
451 individually and on behalf of a firm; and

452 (4) To the appointment of the state board that issued such license as  
453 the agent upon whom process may be served in any action or  
454 proceeding by the board against such licensee.

455 (d) Any individual who qualifies for practice privileges under this  
456 section who, for any entity with its home office in this state, performs  
457 any of the following services: (1) Any financial statement audit or other  
458 engagement to be performed in accordance with Statements on  
459 Auditing Standards; (2) any examination of prospective financial  
460 information to be performed in accordance with Statements on  
461 Standards for Attestation Engagements; or (3) any engagement to be  
462 performed in accordance with PCAOB Auditing Standards may only  
463 provide such services through a firm that has obtained a permit issued  
464 under section 20-281e of the general statutes, as amended by this act.

465 (e) Any licensee of this state that offers or renders services or uses  
466 their CPA title in another state shall be subject to disciplinary action in  
467 this state for an act committed in another state for which the licensee  
468 would be subject to discipline for an act committed in the other state.  
469 Notwithstanding the provisions of section 20-280c of the general  
470 statutes, the board shall investigate any complaint made by the board  
471 of accountancy of another state against any such licensee.

472 (f) In determining substantial equivalency pursuant to this section,  
473 the board shall take into account the qualifications of such person



474 without regard to the sequence in which experience, education or  
475 examination requirements were attained.

476 Sec. 8. Section 20-280e of the general statutes is repealed and the  
477 following is substituted in lieu thereof (*Effective from passage*):

478 [The State Board of Accountancy shall adopt regulations, in  
479 accordance with chapter 54, to permit the holder of a Connecticut  
480 public accountant license to convert such license to a certified public  
481 accountant license without any testing requirements.] The State Board  
482 of Accountancy shall issue a Connecticut Certified Public Accountant's  
483 Certificate to any person who has been granted the designation  
484 certified public accountant and who submits an application and pays  
485 the applicable fee for an initial certified public accountant certificate.  
486 No person issued an initial certificate, pursuant to this section, shall  
487 engage in the practice of public accountancy or use the title or  
488 designation "certified public accountant", or the abbreviations "CPA",  
489 or any other title, designation, words, letters, abbreviation, sign, card  
490 or device tending to indicate that such person is a certified public  
491 accountant, except as permitted in accordance with sections 20-280 and  
492 20-281g.

493 Sec. 9. Section 20-281d of the general statutes is repealed and the  
494 following is substituted in lieu thereof (*Effective from passage*):

495 (a) The board shall issue or renew licenses to persons who make  
496 application and demonstrate their qualifications [therefor] in  
497 accordance with subsections (b) to (g), inclusive, of this section.

498 (b) Licenses shall be initially issued for one year and renewed  
499 annually. Applications for such licenses shall be made in such form,  
500 and in the case of applications for renewal, between such dates, as the  
501 board shall by regulation specify.

502 (c) An applicant for initial issuance of a license under this section  
503 shall show:

504 (1) That he holds a valid certificate;

505 (2) If the applicant's certificate was issued more than four years  
506 prior to his application for issuance of an initial license under this  
507 section, that he has fulfilled the requirements of continuing  
508 professional education that would have been applicable under  
509 subsection (e) of this section if he had secured his initial license within  
510 four years of issuance of his certificate and was now applying under  
511 subsection (e) of this section for renewal of such license.

512 (d) The board shall issue a certificate to a holder of a certificate  
513 issued by another state upon a showing that:

514 (1) The applicant passed the examination required for issuance of  
515 his certificate with grades that would have been passing grades at the  
516 time in this state; and

517 (2) The applicant meets all current requirements in this state for  
518 issuance of a certificate at the time the application is made; or the  
519 applicant, at the time of the issuance of the applicant's certificate in the  
520 other state, met all such requirements then applicable in this state; or  
521 the applicant has had five years of experience in the practice of public  
522 accountancy no earlier than the ten years immediately preceding the  
523 applicant's application or meets equivalent requirements prescribed by  
524 the board by regulation.

525 (e) For renewal of a license under this section an applicant shall  
526 show that he has completed forty hours of continuing professional  
527 education during each year from the date of issuance or last renewal.  
528 The board may prescribe, by regulation, the content, duration and  
529 organization of continuing professional education courses which  
530 contribute to the general professional competence of the applicant.

531 (f) For renewal of a license under this section, the board shall charge  
532 the fees for failure to earn continuing education credits by the June  
533 thirtieth deadline:

534        (1) Two hundred fifty dollars for reporting on a renewal application  
 535        a minimum of forty hours of continuing professional education, any of  
 536        which was earned after June thirtieth and on or by September thirtieth;

537        (2) Five hundred dollars for reporting on a renewal application a  
 538        minimum of forty hours of continuing professional education any of  
 539        which was earned after June thirtieth and on or by December thirty-  
 540        first.

541        ~~[(f)]~~ (g) The board shall charge a fee of seventy-five dollars for the  
 542        initial issuance and the professional services fee for class I, as defined  
 543        in section 33-182l, for each annual renewal of such license.

544        ~~[(g)]~~ (h) Applicants for initial issuance or renewal of licenses under  
 545        this section shall in their applications list all states in which they have  
 546        applied for or hold certificates or licenses, and each holder of or  
 547        applicant for a license under this section shall notify the board in  
 548        writing, within thirty days after its occurrence, of any issuance, denial,  
 549        revocation or suspension of a certificate or license by another state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	20-279b
Sec. 2	<i>from passage</i>	20-281
Sec. 3	<i>from passage</i>	20-281a
Sec. 4	<i>from passage</i>	20-281e
Sec. 5	<i>from passage</i>	20-281f
Sec. 6	<i>from passage</i>	20-281g
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	20-280e
Sec. 9	<i>from passage</i>	20-281d

***Statement of Purpose:***

To provide the practice privilege of public accountancy in this state to certain persons who are not licensed in this state but who have substantially equivalent education, examination and experience as those persons who are so licensed in this state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*